

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2019**

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)**

ASSETS	Note	Audited			Audited		
		Current Period			Prior Period		
		TRY	FC	TOTAL	TRY	FC	TOTAL
		31 December 2019			31 December 2018		
<b>I. FINANCIAL ASSETS (NET)</b>		<b>30.233.397</b>	<b>42.074.025</b>	<b>72.307.422</b>	<b>21.452.260</b>	<b>39.789.022</b>	<b>61.241.282</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>3.057.952</b>	<b>36.497.025</b>	<b>39.554.977</b>	<b>4.215.704</b>	<b>36.559.750</b>	<b>40.775.454</b>
1.1.1 Cash and Balances with Central Bank	(1)	2.472.611	32.841.376	35.313.987	3.983.094	31.596.630	35.579.724
1.1.2 Banks	(3)	508.021	3.655.952	4.163.973	181.392	4.964.779	5.146.171
1.1.3 Money Markets		87.138	-	87.138	65.318	-	65.318
1.1.4 Expected Loss Provision (-)		9.818	303	10.121	14.100	1.659	15.759
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>16.295.809</b>	<b>9.954</b>	<b>16.305.763</b>	<b>14.516.355</b>	<b>22.580</b>	<b>14.538.935</b>
1.2.1 Government Debt Securities		16.131.520	64	16.131.584	14.415.482	21.455	14.436.937
1.2.2 Equity Instruments		145.601	9.890	155.491	74	1.125	1.199
1.2.3 Other Financial Assets		18.688	-	18.688	100.799	-	100.799
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(4)	<b>10.875.940</b>	<b>4.418.750</b>	<b>15.294.690</b>	<b>2.720.192</b>	<b>2.144.620</b>	<b>4.864.812</b>
1.3.1 Government Debt Securities		10.275.808	4.283.752	14.559.560	2.579.303	2.058.759	4.638.062
1.3.2 Equity Instruments		20.049	134.998	155.047	24.793	85.861	110.654
1.3.3 Other Financial Assets		580.083	-	580.083	116.096	-	116.096
<b>1.4 Derivative Financial Assets</b>	(2)(11)	<b>3.696</b>	<b>1.148.296</b>	<b>1.151.992</b>	<b>9</b>	<b>1.062.072</b>	<b>1.062.081</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		3.696	1.148.296	1.151.992	9	1.062.072	1.062.081
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST(Net)</b>		<b>267.318.842</b>	<b>112.081.816</b>	<b>379.400.658</b>	<b>212.632.972</b>	<b>102.399.552</b>	<b>315.032.524</b>
<b>2.1 Loans</b>	(5)	<b>222.430.880</b>	<b>90.963.797</b>	<b>313.394.677</b>	<b>173.737.859</b>	<b>89.093.926</b>	<b>262.831.785</b>
<b>2.2 Lease Receivables</b>	(10)	<b>1.021.658</b>	<b>2.369.156</b>	<b>3.390.814</b>	<b>1.021.724</b>	<b>2.465.872</b>	<b>3.487.596</b>
<b>2.3 Factoring Receivables</b>		<b>2.146.745</b>	<b>38.381</b>	<b>2.185.126</b>	<b>1.277.726</b>	<b>139.535</b>	<b>1.417.261</b>
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>	(6)	<b>53.297.037</b>	<b>19.174.085</b>	<b>72.471.122</b>	<b>45.172.546</b>	<b>11.158.799</b>	<b>56.331.345</b>
2.4.1 Government Debt Securities		53.246.524	19.174.085	72.420.609	45.110.909	11.158.799	56.269.708
2.4.2 Other Financial Assets		50.513	-	50.513	61.637	-	61.637
<b>2.5 Expected Credit Loss (-)</b>		<b>11.577.478</b>	<b>463.603</b>	<b>12.041.081</b>	<b>8.576.883</b>	<b>458.580</b>	<b>9.035.463</b>
<b>III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)</b>	(16)	<b>1.009.587</b>	<b>66.831</b>	<b>1.076.418</b>	<b>9.593</b>	<b>-</b>	<b>9.593</b>
3.1 Held for Sale		1.009.587	66.831	1.076.418	9.593	-	9.593
3.2 Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>116.254</b>	<b>476.980</b>	<b>593.234</b>	<b>84.321</b>	<b>431.547</b>	<b>515.868</b>
<b>4.1 Investments in Associates (Net)</b>	(7)	<b>32.254</b>	<b>476.980</b>	<b>509.234</b>	<b>27.175</b>	<b>431.547</b>	<b>458.722</b>
4.1.1 Associates Valued Based on Equity Method		21.152	476.980	498.132	17.823	431.547	449.370
4.1.2 Unconsolidated Associates		11.102	-	11.102	9.352	-	9.352
<b>4.2 Subsidiaries (Net)</b>	(8)	<b>84.000</b>	<b>-</b>	<b>84.000</b>	<b>57.146</b>	<b>-</b>	<b>57.146</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non- Financial Subsidiaries		84.000	-	84.000	57.146	-	57.146
<b>4.3 Joint Ventures (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	(12)	<b>9.107.424</b>	<b>201.549</b>	<b>9.308.973</b>	<b>4.514.930</b>	<b>124.956</b>	<b>4.639.886</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(13)	<b>166.525</b>	<b>38.734</b>	<b>205.259</b>	<b>149.098</b>	<b>34.313</b>	<b>183.411</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		166.525	38.734	205.259	149.098	34.313	183.411
<b>VII. INVESTMENT PROPERTIES (Net)</b>	(14)	<b>1.096.814</b>	<b>7.649</b>	<b>1.104.463</b>	<b>967.406</b>	<b>5.995</b>	<b>973.401</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>602</b>	<b>7.469</b>	<b>8.071</b>	<b>19.860</b>	<b>6.183</b>	<b>26.043</b>
<b>IX. DEFERRED TAX ASSET</b>	(15)	<b>48.878</b>	<b>3.462</b>	<b>52.340</b>	<b>95.326</b>	<b>3.019</b>	<b>98.345</b>
<b>X. OTHER ASSETS (Net)</b>	(17)	<b>4.115.999</b>	<b>458.990</b>	<b>4.574.989</b>	<b>4.406.874</b>	<b>1.094.449</b>	<b>5.501.323</b>
<b>TOTAL ASSETS</b>		<b>313.214.322</b>	<b>155.417.505</b>	<b>468.631.827</b>	<b>244.332.640</b>	<b>143.889.036</b>	<b>388.221.676</b>

The accompanying notes are an integral part of these consolidated financial statements.



**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2019**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS**

OFF-BALANCE SHEET	Note	Audited			Audited		
		Current Period			Prior Period		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>A. COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>83.750.565</b>	<b>113.362.625</b>	<b>197.113.190</b>	<b>70.479.149</b>	<b>89.431.738</b>	<b>159.910.887</b>
<b>I. GUARANTEES AND WARRANTIES</b>	(1)	<b>40.418.066</b>	<b>50.599.764</b>	<b>91.017.830</b>	<b>36.985.278</b>	<b>46.684.697</b>	<b>83.669.975</b>
1.1 Letters of guarantee		37.770.126	39.576.362	77.346.488	34.982.709	36.415.106	71.397.815
1.1.1 Guarantees subject to public procurement law		2.075.214	11.132.077	13.207.291	1.982.722	12.444.947	14.427.669
1.1.2 Guarantees given for foreign trade operations		-	91.930	91.930	-	64.120	64.120
1.1.3 Other letters of guarantee		35.694.912	28.352.355	64.047.267	32.999.987	23.906.039	56.906.026
1.2 Bank loans		8.260	6.953.738	6.961.998	11.845	7.038.415	7.050.260
1.2.1 Import acceptances		-	27.704	27.704	-	94.572	94.572
1.2.2 Other bank acceptances		8.260	6.926.034	6.934.294	11.845	6.943.843	6.955.688
1.3 Letters of credit		16.891	3.884.760	3.901.651	119.895	3.110.315	3.230.210
1.3.1 Documentary letters of credit		16.891	3.884.760	3.901.651	119.895	3.110.315	3.230.210
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed refinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase guarantees on marketable security issuance		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		2.622.789	184.904	2.807.693	1.870.829	120.861	1.991.690
1.9 Other sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>28.057.633</b>	<b>4.628.061</b>	<b>32.685.694</b>	<b>24.243.741</b>	<b>3.598.496</b>	<b>27.842.237</b>
2.1 Irrevocable commitments	(1)	27.742.136	2.136.154	29.878.290	24.091.603	2.105.823	26.197.426
2.1.1 Forward asset purchase commitments		967.531	1.265.092	2.232.623	807.737	1.228.932	2.036.669
2.1.2 Forward deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3 Capital commitments to subsidiaries and associates		-	-	-	-	-	-
2.1.4 Loan granting commitments		2.564.640	573.699	3.138.339	4.159.896	530.684	4.690.580
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Payment commitments for reserve deposits		-	-	-	-	-	-
2.1.7 Payment commitments for Cheques		3.219.679	-	3.219.679	2.661.413	-	2.661.413
2.1.8 Tax and fund liabilities from export commitments		83.156	-	83.156	65.280	-	65.280
2.1.9 Commitments for credit card expenditure limits		16.709.743	63.100	16.772.843	12.674.648	54.296	12.728.944
2.1.10 Commitments for credit cards and banking services promotions		24.943	-	24.943	31.409	-	31.409
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		4.172.444	234.263	4.406.707	3.691.220	291.911	3.983.131
2.2 Revocable commitments		315.497	2.491.907	2.807.404	152.138	1.492.673	1.644.811
2.2.1 Revocable loan granting commitments		-	1.347.727	1.347.727	-	1.137.584	1.137.584
2.2.2 Other revocable commitments		315.497	1.144.180	1.459.677	152.138	355.089	507.227
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>15.274.866</b>	<b>58.134.800</b>	<b>73.409.666</b>	<b>9.250.130</b>	<b>39.148.545</b>	<b>48.398.675</b>
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value risk hedging transactions		-	-	-	-	-	-
3.1.2 Cash flow risk hedging transactions		-	-	-	-	-	-
3.1.3 Net foreign investment risk hedging transactions		-	-	-	-	-	-
3.2 Transactions for trading		15.274.866	58.134.800	73.409.666	9.250.130	39.148.545	48.398.675
3.2.1 Forward foreign currency buy/sell transactions		1.508.922	3.824.584	5.333.506	1.805.572	5.242.539	7.048.111
3.2.1.1 Forward foreign currency transactions-buy		779.407	1.490.061	2.269.468	1.553.375	3.067.752	4.621.127
3.2.1.2 Forward foreign currency transactions-sell		729.515	2.334.523	3.064.038	252.197	2.174.787	2.426.984
3.2.2 Currency and interest rate swaps		12.849.494	48.469.357	61.318.851	5.146.767	28.105.082	33.251.849
3.2.2.1 Currency swap-buy		432.526	15.653.590	16.086.116	1.012.983	7.070.935	8.083.918
3.2.2.2 Currency swap-sell		11.996.968	5.528.265	17.525.233	4.133.784	3.641.263	7.775.047
3.2.2.3 Interest rate swap-buy		210.000	13.643.751	13.853.751	-	8.696.442	8.696.442
3.2.2.4 Interest Rate swap-sell		210.000	13.643.751	13.853.751	-	8.696.442	8.696.442
3.2.3 Currency, interest rate and marketable securities options		916.450	2.604.064	3.520.514	2.297.791	3.561.455	5.859.246
3.2.3.1 Currency call options		457.977	1.302.273	1.760.250	1.148.905	1.780.728	2.929.633
3.2.3.2 Currency put options		458.473	1.301.791	1.760.264	1.148.886	1.780.727	2.929.613
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Marketable securities call options		-	-	-	-	-	-
3.2.3.6 Marketable securities put options		-	-	-	-	-	-
3.2.4 Currency futures		-	-	-	-	-	-
3.2.4.1 Currency futures-buy		-	-	-	-	-	-
3.2.4.2 Currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate buy/sell futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	3.236.795	3.236.795	-	2.239.469	2.239.469
<b>B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)</b>		<b>1.210.945.097</b>	<b>362.728.818</b>	<b>1.573.673.915</b>	<b>957.578.147</b>	<b>312.632.590</b>	<b>1.270.210.737</b>
<b>IV. CUSTODIES</b>		<b>571.163.381</b>	<b>50.656.660</b>	<b>621.820.041</b>	<b>435.748.450</b>	<b>42.655.486</b>	<b>478.403.936</b>
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		207.557.418	1.420.996	208.978.414	164.714.542	1.017.194	165.731.736
4.3 Cheques in collection process		15.793.262	31.771.413	47.564.675	15.459.699	26.465.087	41.924.786
4.4 Commercial notes in collection process		289.702.098	7.018.616	296.720.714	239.248.814	5.578.699	244.827.513
4.5 Other assets in collection process		-	-	-	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		4.005.746	810.205	4.815.951	4.281.053	486.438	4.767.491
4.8 Custodians		54.104.857	9.635.430	63.740.287	12.044.342	9.108.068	21.152.410
<b>V. PLEDGED ASSETS</b>		<b>639.781.716</b>	<b>312.072.158</b>	<b>951.853.874</b>	<b>521.829.697</b>	<b>269.977.104</b>	<b>791.806.801</b>
5.1 Marketable securities		5.805.905	1.236.225	7.042.130	5.910.919	772.952	6.683.871
5.2 Collateral notes		7.208.610	1.344.753	8.553.363	7.602.929	1.172.031	8.774.960
5.3 Commodity		25.813	-	25.813	25.812	-	25.812
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		500.970.141	253.826.850	754.796.991	384.296.983	225.968.770	610.265.753
5.6 Other pledged assets		120.641.178	42.752.230	163.393.408	76.479.920	39.614.525	116.094.445
5.7 Pledges		5.130.069	12.912.100	18.042.169	47.513.134	2.448.826	49.961.960
<b>VI. ACCEPTED BILL GUARANTEES AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>1.294.695.662</b>	<b>476.091.443</b>	<b>1.770.787.105</b>	<b>1.028.057.296</b>	<b>402.064.328</b>	<b>1.430.121.624</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2019**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**III. CONSOLIDATED STATEMENT OF INCOME**

		Audited Current Period	Audited Prior Period
		1 January- 31 December 2019	1 January- 31 December 2018
	<b>INCOME AND EXPENSES</b>		
	Note		
<b>I.</b>	<b>INTEREST INCOME</b>	<b>47.668.735</b>	<b>37.617.675</b>
1.1	Interest on Loans	37.221.483	28.994.809
1.2	Interest on Reserve Requirements	96.989	97.387
1.3	Interest on Banks	344.109	666.605
1.4	Interest on Money Market Transactions	69.368	58.064
1.5	Interest on Marketable Securities Portfolio	<b>9.197.377</b>	<b>7.151.547</b>
1.5.1	Fair Value Through Profit or Loss	16.557	19.110
1.5.2	Fair Value Through Other Comprehensive Income	1.522.716	347.139
1.5.3	Measured at Amortized Cost	7.658.104	6.785.298
1.6	Financial Lease Interest Income	322.356	272.064
1.7	Other Interest Income	417.053	377.199
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>36.007.406</b>	<b>28.674.763</b>
2.1	Interest on Deposits	23.011.889	20.298.335
2.2	Interest on Funds Borrowed	552.139	769.204
2.3	Interest Expense on Money Market Transactions	9.445.246	5.795.550
2.4	Interest on Securities Issued	2.637.772	1.555.203
2.5	Interest on Leases	96.205	-
2.6	Other Interest Expenses	264.155	256.471
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>	<b>11.661.329</b>	<b>8.942.912</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>	<b>2.716.482</b>	<b>1.904.363</b>
4.1	Fees and Commissions Received	<b>3.851.049</b>	<b>2.831.050</b>
4.1.1	Non – cash Loans	936.746	625.174
4.1.2	Other	2.914.303	2.205.876
4.2	Fees and Commissions Paid (-)	<b>1.134.567</b>	<b>926.687</b>
4.2.1	Non – cash Loans	4.692	3.835
4.2.2	Other	1.129.875	922.852
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>14.441</b>	<b>13.177</b>
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	<b>(3.227.754)</b>	<b>231.483</b>
6.1	Trading Gains / (Losses) on Securities	294.927	33.081
6.2	Gains / (Losses) on Derivate Financial Transactions	(1.473.142)	1.979.221
6.3	Foreign Exchange Gains / (Losses)	(2.049.539)	(1.780.819)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>2.620.242</b>	<b>2.489.370</b>
<b>VIII.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)</b>	<b>13.784.740</b>	<b>13.581.305</b>
<b>IX.</b>	<b>EXPECTED LOSS PROVISIONS (-)</b>	<b>4.672.517</b>	<b>2.598.891</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>147.354</b>	<b>821.625</b>
<b>XI.</b>	<b>PERSONNEL EXPENSE (-)</b>	<b>3.029.501</b>	<b>2.608.022</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>3.562.647</b>	<b>4.546.592</b>
<b>XIII.</b>	<b>NET OPERATING INCOME /LOSS (IX-X-XI)</b>	<b>2.372.721</b>	<b>3.006.175</b>
<b>XIV.</b>	<b>INCOME AFTER MERGER</b>	-	-
<b>XV.</b>	<b>INCOME / (LOSS ) FROM INVESTMENTS IN SUBSIDIARIES</b>	-	-
	<b>CONSOLIDATED BASED ON EQUITY METHOD</b>	<b>33.538</b>	<b>26.620</b>
<b>XVI.</b>	<b>INCOME / (LOSS) ON NET MONETARY POSITION</b>	-	-
<b>XVII.</b>	<b>PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS</b> (XIII+...+XVI)	<b>2.406.259</b>	<b>3.032.795</b>
<b>XVIII.</b>	<b>TAX PROVISIONS FOR CONTINUED OPERATIONS (±)</b>	<b>(306.921)</b>	<b>(361.833)</b>
18.1	Current Tax Provision	477.171	175.752
18.2	Deferred Tax Income Effect (+)	1.221.643	1.161.994
18.3	Deferred Tax Expense Effect (-)	1.391.893	975.913
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT / LOSS FROM CONTINUED</b> <b>OPERATIONS (XVII±XVIII)</b>	<b>2.099.338</b>	<b>2.670.962</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<b>2.163.741</b>	<b>22.727</b>
20.1	Income from non- Current Assets Held for Sale	2.163.741	22.727
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures	-	-
20.3	Income from Other Discontinued Operations	-	-
<b>XXI.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>	<b>1.798.587</b>	<b>9.737</b>
21.1	Expenses for Non-current Assets Held for Sale	1.798.587	9.737
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures	-	-
21.3	Expenses for Other Discontinued Operations	-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS</b> (IXX-XX)	<b>365.154</b>	<b>12.990</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(171.619)</b>	<b>(2.860)</b>
23.1	Current Tax Provision	176.370	2.890
23.2	Deferred Tax Expense Effect (+)	-	-
23.3	Deferred Tax Income Effect (-)	4.751	30
<b>XXIV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED</b> <b>OPERATIONS (XIX±XXII)</b>	<b>193.535</b>	<b>10.130</b>
<b>XXV.</b>	<b>NET PROFIT/(LOSS) (XVIII+XXIII)</b>	<b>2.292.873</b>	<b>2.681.092</b>
25.1	Profit / (Loss) of Group	2.267.608	2.656.647
25.2	Profit / (Loss) of Minority Shares (-)	25.265	24.445
	Profit / (Loss) Per Share (full TRY)	1,8140864	2,1253176

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2019**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Audited	Audited
	Current Period	Prior Period
	1 January - 31 December	1 January - 31 December
	2019	2018
<b>STATEMENT OF PROFIT OR LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>2.292.873</b>	<b>2.681.092</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>609.117</b>	<b>657.118</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>161.399</b>	<b>225.317</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	206.466	211.669
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(87.021)	24.320
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	29.011	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	12.943	(10.672)
<b>2.2 Reclassified Through Profit or Loss</b>	<b>447.718</b>	<b>431.801</b>
2.2.1 Foreign Currency Translation Differences	(4.392)	(54.085)
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	543.008	580.811
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(90.898)	(94.925)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>2.901.990</b>	<b>3.338.210</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2019**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss						Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						Total Equity Expect Minority Shares	Minority Shares	Total Equity	
	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other(Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)				Current Period Profit or (Loss)
<b>Audited (1 January – 31 December 2018)</b>																
I. Prior Period End Balance	1.250.000	39.737	-	1.173.214	2.253.646	(10.744)	19.303	52.631	(679.695)	-	17.081.403	4.139.070	-	25.318.565	210.124	25.528.689
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	678.853	-	678.853	4	678.857
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	678.853	-	-	678.853	4	678.857
III. Adjusted Beginning Balance (I+II)	1.250.000	39.737	-	1.173.214	2.253.646	(10.744)	19.303	52.631	(679.695)	-	17.081.403	4.817.923	-	25.997.418	210.128	26.207.546
IV. Total Comprehensive Income	-	-	-	-	205.949	19.368	(1.031)	(54.085)	486.917	-	-	-	2.656.647	3.313.765	24.445	3.338.210
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease by Other Changes	-	3	-	54.841	-	-	-	-	-	-	(65.712)	2.676	-	(8.192)	13.025	4.833
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	3.804.363	(3.812.755)	-	(8.392)	(957)	(9.349)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(186.274)	-	(186.274)	(2.521)	(188.795)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3.804.363	(3.626.481)	-	177.882	1.564	179.446
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>	<b>1.250.000</b>	<b>39.740</b>	<b>-</b>	<b>1.228.055</b>	<b>2.459.595</b>	<b>8.624</b>	<b>18.272</b>	<b>(1.454)</b>	<b>(192.778)</b>	<b>-</b>	<b>20.820.054</b>	<b>1.007.844</b>	<b>2.656.647</b>	<b>29.294.599</b>	<b>246.641</b>	<b>29.541.240</b>
<b>Audited (1 January – 31 December 2019)</b>																
I. Prior Period End Balance	1.250.000	39.740	-	1.228.055	2.459.595	8.624	18.272	(1.454)	(192.778)	-	20.820.054	3.664.491	-	29.294.599	246.641	29.541.240
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	1.250.000	39.740	-	1.228.055	2.459.595	8.624	18.272	(1.454)	(192.778)	-	20.820.054	3.664.491	-	29.294.599	246.641	29.541.240
IV. Total Comprehensive Income	-	-	-	-	202.030	(69.642)	29.011	(4.392)	452.110	-	-	-	2.267.608	2.876.725	25.265	2.901.990
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease by Other Changes	-	33	-	(252.438)	4.010	-	-	-	-	-	(76.412)	65.020	-	(259.787)	13.945	(245.842)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	3.308.537	(3.309.939)	-	(1.402)	1.402	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1.402)	-	(1.402)	1.402	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3.308.537	(3.308.537)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>	<b>1.250.000</b>	<b>39.773</b>	<b>-</b>	<b>975.617</b>	<b>2.665.635</b>	<b>(61.018)</b>	<b>47.283</b>	<b>(5.846)</b>	<b>259.332</b>	<b>-</b>	<b>24.052.179</b>	<b>419.572</b>	<b>2.267.608</b>	<b>31.910.135</b>	<b>287.253</b>	<b>32.197.388</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2019**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**VI. CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Audited	Audited
		Current Period	Prior Period
		1 January- 31 December 2019	1 January- 31 December 2018
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>(1.285.633)</b>	<b>(3.186.823)</b>
1.1.1 Interest received		42.017.429	33.712.282
1.1.2 Interest paid		(36.205.992)	(26.586.389)
1.1.3 Dividend received		14.580	13.177
1.1.4 Fees and commissions received		3.973.956	2.858.270
1.1.5 Other income		3.236.634	2.178.061
1.1.6 Collections from previously written off loans		1.858.918	1.328.304
1.1.7 Cash payments to personnel and service suppliers		(3.171.206)	(2.643.408)
1.1.8 Taxes paid		(351.948)	(172.670)
1.1.9 Other	(1)	(12.658.004)	(13.874.450)
<b>1.2 Changes in Assets and Liabilities Subject to Banking Operations</b>		<b>14.563.051</b>	<b>6.967.809</b>
1.2.1 Net Increase / decrease in financial assets at fair value through profit or loss		(1.768.837)	(42.439)
1.2.2 Net (increase) / decrease in due from banks		-	(11.619)
1.2.3 Net (increase) / decrease in loans		(52.972.613)	(51.561.378)
1.2.4 Net (increase) / decrease in other assets		1.129.813	(2.140.784)
1.2.5 Net increase / (decrease) in bank deposits		(3.408.437)	11.890.000
1.2.6 Net increase / (decrease) in other deposits		53.709.536	43.814.081
1.2.7 Net Increase / decrease in financial liabilities at fair value through profit or loss		-	-
1.2.8 Net increase / (decrease) in funds borrowed		(1.269.042)	(4.756.024)
1.2.9 Net increase / (decrease) in matured payables		-	-
1.2.10 Net increase / (decrease) in other liabilities	(1)	19.142.631	9.775.972
<b>I. Net cash provided from banking operations</b>		<b>13.277.418</b>	<b>3.780.986</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II. Net cash provided from/ (used in) investing activities</b>		<b>(22.359.553)</b>	<b>(18.289.736)</b>
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		(111.070)	(310.473)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries		39.375	-
2.3 Fixed assets purchases		(557.443)	(1.091.076)
2.4 Fixed assets sales		699.405	236.886
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(21.377.381)	(12.081.446)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		11.592.662	6.051.624
2.7 Cash paid for purchase of investment securities		(19.959.111)	(17.449.447)
2.8 Cash obtained from sale of investment securities		7.407.102	6.368.539
2.9 Other		(93.092)	(14.343)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flow from financing activities</b>		<b>7.577.393</b>	<b>5.601.920</b>
3.1 Cash obtained from loans borrowed and securities issued		12.282.799	8.553.666
3.2 Cash used for repayment of loans borrowed and securities issued		(4.478.815)	(2.763.036)
3.3 Bonds issued		-	-
3.4 Dividends paid		-	(188.795)
3.5 Payments for leases		(226.591)	-
3.6 Other		-	85
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(1)	<b>2.353.847</b>	<b>5.233.224</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>		<b>849.105</b>	<b>(3.673.606)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	(4)	<b>23.448.585</b>	<b>27.122.191</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(5)	<b>24.297.690</b>	<b>23.448.585</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2018**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**

	<b>Audited</b>	<b>Audited</b>
	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 December 2019<sup>(1)</sup></b>	<b>31 December 2018</b>
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT</b>		
1.1. Current Period Profit	1.968.257	2.717.818
1.2. Taxes and Legal Duties Payables (-)	(247.948)	(196.023)
1.2.1. Corporate Tax (Income Tax)	(435.511)	(9.840)
1.2.2. Withholding Tax	-	-
1.2.3. Other Taxes and Duties	187.563	(186.183)
<b>A. Net Profit For The Period (1.1-1.2)</b>	<b>1.720.309</b>	<b>2.521.795</b>
1.3. Accumulated Losses (-)	-	-
1.4. First Legal Reserves (-)	-	126.090
1.5. Other Statutory Reserves (-)	-	-
<b>B. Net Profit Available for Distribution [(A)-(1.3+1.4+1.5)]</b>	<b>-</b>	<b>2.395.705</b>
1.6. First Dividend to shareholders (-)	-	-
1.6.1. To Owners of Ordinary Shares	-	-
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Owners of Redeemed Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. Dividends to personnel (-)	-	-
1.8. Dividends to Board of Directors (-)	-	-
1.9. Second Dividend to Shareholders (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Privileged Shares	-	-
1.9.3. To Owners of Redeemed Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.10. Second Legal Reserves (-)	-	-
1.11. Status Reserves (-)	-	3.100.239
1.12. Extraordinary Reserves <sup>(2)</sup>	-	-
1.13. Other Reserves	-	-
<b>II. Distribution of Reserves</b>		
2.1. Appropriated Reserves	-	-
2.2. Second Legal Reserves (-)	-	-
2.2.1. Dividends to Shareholders (-)	-	-
2.2.2. To Owners of Ordinary Shares	-	-
2.3.3. To Owners of Privileged Shares	-	-
2.3.4. To Profit Sharing Bonds	-	-
2.3.5. To Holders of Profit and Loss Sharing Certificates	-	-
2.3. Dividends to Personnel (-)	-	-
2.4. Dividends to the Boards of Directors (-)	-	-
<b>III. Earnings per Share</b>		
3.1. To Owners of Ordinary Shares	1,3762	2,0174
3.2. To Owners of Ordinary Shares (%)	137,62%	201,74%
3.3. To Owners of Privileged Shares	-	-
3.4. To Owners of Privileged Shares (%)	-	-
<b>IV. Dividend per Share</b>		
4.1. To Owners of Ordinary Shares	-	-
4.2. To Owners of Ordinary Shares (%)	-	-
4.3. To Owners of Privileged Shares	-	-
4.4. To Owners of Privileged Shares (%)	-	-

(1) As of the date of 31 December 2019 financial statements the General Assembly of the Parent Bank has not been held yet.

(2) The balance amounting to TRY 704.534, composed as a result of the transition to TFRS 9 on 1 January 2018, and accounted for under retained earnings, has been transferred to extraordinary reserves.

The accompanying notes are an integral part of these consolidated financial statements